

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

D.T.E. 01-106

Verizon Massachusetts (“Verizon MA”) hereby responds to the Department’s request for comments in its December 17, 2001, Order relating to the discount programs available to low-income customers of electric, gas and telephone companies in Massachusetts. These Comments provide a brief overview of Verizon MA’s LifeLine and Link-Up programs and address the specific questions posed by the Department in its Order. As shown below, Verizon MA’s extensive efforts to support these customer assistance programs demonstrates the Company’s strong commitment to provide more affordable telephone service to low-income subscribers and further the public policy goal of universal service.

For more than a decade, Verizon MA has offered telephone assistance programs designed to make basic exchange service more affordable for Massachusetts consumers with limited incomes. Those programs are commonly referred to as LifeLine and Link-Up. As of November 2001, there are 163,276 LifeLine customers in Massachusetts. During 2000 and 2001, more than 12,000 Massachusetts residence customers received Link-Up assistance.

LifeLine and Link-Up were established in accordance with the Federal Communications Commission's ("FCC") requirements and are administered based on state income criteria determined by the appropriate governmental agency. The FCC's goal in establishing the LifeLine and Link-Up programs was to further universal service by assisting those who meet the requirements of state-established income criteria.

LifeLine provides eligible residence customers with a recurring reduction in the monthly rate for one telephone exchange service line. *See* Tariff – DTE MA No. 10 – Part A, Sec. 1.7.1, p. 27. Link-Up reduces the customary installation charges for one telephone exchange line per household at the principal place of residence, and allows service connection payments to be spread over a one-year period without interest. *See* Tariff – DTE MA No. 10 – Part A, Sec. 1.7.2, p. 28. Eligibility is determined by the relevant governmental agency or its designee based on the respective agency's income guidelines.

The same eligibility criteria apply to both the LifeLine and Link-Up programs. Massachusetts' residents who receive financial assistance from one or more of the following state-sponsored programs are eligible for LifeLine and Link-Up benefits:

- ?? Transitional Aid to Families with Dependent Children ("TAFDC");
- ?? Emergency Aid to the Elderly, Disabled and Children ("EAEDC");
- ?? Supplemental Security Income ("SSI");
- ?? MassHealth (Medicaid);
- ?? Food Stamp Benefits; and
- ?? Fuel Assistance

In addition, low-income, Native Americans living on tribal lands who establish their income eligibility by certifying their participation in one of the following federal assistance programs can receive *additional* LifeLine and Link-Up assistance:

- ?? Bureau of Indian Affairs ("BIA") General Assistance;

- ?? Temporary Assistance for Needy Families (“TANF”) Tribally Administered Block Grant Program;
- ?? Head Start Program (under income qualifying provision only); and
- ?? National School Lunch Program (free meals program only)

Verizon MA refers to this additional assistance as Enhanced LifeLine and Expanded Link-Up.

Verizon MA applies the LifeLine reduction to the monthly rate for the following residence exchange services:

- ?? One- or two-party unlimited basic exchange services;
- ?? Low Use and Standard Residence Measured Service 4E (Four Elements); and
- ?? Residence Measured, Circle Calling, Suburban, Metropolitan, Bay State East, or Call Around Plus 413 Plus

The current level of the monthly LifeLine discount is \$14.50, which is an increase from the \$7 discount offered by the Company when the program was first introduced. Moreover, subscribers who qualify for Enhanced LifeLine under the tribal land eligibility requirement receive an *additional* monthly reduction, so that their basic monthly residence rate is \$1. *See* Tariff – DTE MA No. 10 – Part A, Sec. 1.7.3.A, p. 28.

Link-Up provides qualifying residence customers with a 50 percent discount in the service connection charges for basic (local) telephone service,¹ not to exceed a total reduction of \$30. *See* Tariff – DTE MA No. 10 – Part A, Sec. 1.7.2, p. 28. In Massachusetts, that reduction amounts to \$6.75. Both the LifeLine and Link-Up reductions apply to one telephone line per household.

¹ Subscribers who qualify for Expanded Link-Up under the tribal land eligibility requirement receive an *additional* reduction of their service connection charges, not to exceed \$70, such that the combined reductions do not exceed \$100 per qualifying, low-income subscriber. *See* Tariff – DTE MA No. 10 – Part A, Sec. 1.7.4, p. 28.1. The combined reduction includes standard charges imposed as a condition of initiating service, including both line extension and initial connection charges up to the maximum amount of \$200. *Id.*

II. DISCUSSION

The Department initiated this investigation to examine an efficient and reliable means of verifying customer eligibility for discount programs offered by electric, gas, and telephone companies in Massachusetts. The Department's objective is to "increase the penetration rate for discount service to eligible customers in a cost-effective manner while minimizing the administrative costs of providing such service." *Order*, at 2. As part of its investigation, the Department requested comments on the following issues:

1. Describe outreach efforts to identify eligible discount customers;
2. Describe current procedures used for subscriber eligibility verification and enrollment;
3. Discuss whether current subscriber eligibility standards would permit utilities to enroll each other's customers in discount programs;
4. Discuss strategies for addressing varying income requirements of public benefit programs;
5. Discuss whether utilities could implement a computer matching program to verify subscriber eligibility and enroll eligible customers in discount programs;
6. Discuss whether any legal impediment exists to enrolling eligible customers in all available discount programs; and
7. Discuss privacy concerns related to electronic sharing of financial or other confidential information.

Order at 5-6.

As discussed below, Verizon MA has undertaken extensive outreach efforts to inform and enroll eligible customers in its LifeLine and Link-Up programs. Eligibility for those programs is determined by income-based criteria in accordance with federally mandated requirements. Thus, Verizon MA could not automatically enroll other utility discount recipients in its customer assistance programs unless comparable eligibility and verification procedures are utilized.

Likewise, utilities could not implement a reciprocal computer-matching process to verify and enroll eligible subscribers in all available discount programs because of the

privacy concerns associated with sharing confidential, customer-specific information without the express written consent of the customer. Moreover, under Massachusetts law, the disclosure of information relating to the identity of recipients of public assistance is expressly prohibited and punishable by fine. *See* Mass. General Laws Ann. c. 271, §43.

A. Description of Verizon MA’s Outreach Efforts To Identify Eligible LifeLine and Link-Up Customers in Massachusetts. (Department Question No. 1)

Verizon MA uses various media to communicate to residence customers the availability of its LifeLine and Link-Up assistance programs. Those outreach mechanisms, which were approved by the Department in D.P.U. 89-57 and 92-100, include annual bill inserts, annual newspaper advertisements,² and a description in the “Customer Guide” section of the Company’s White Pages directories. Brochures and applications for enrolling in those programs are also available directly from Verizon MA and participating social service agencies.

In addition to those comprehensive outreach efforts, Verizon MA provides information regarding its LifeLine and Link-Up assistance programs on each new customer contact for installation or relocation of telephone service. When an individual contacts Verizon MA to request new service or relocate existing service, the Company service representative inquires if the caller qualifies for any of the approved LifeLine and Link-Up programs.³ If the customer qualifies, then Verizon MA mails the appropriate

² Verizon MA annually places advertisements in selected community newspapers targeted to low income customers in two consecutive issues describing the availability of LifeLine and Link-Up programs.

³ In addition, Verizon service representatives inform callers about the Company’s lowest priced, available services when applying for new and/or relocated telephone service.

brochures and application forms directly to the customer. Verizon service representatives also offer information on the availability of the LifeLine program during negotiations with residence customers seeking deferred payment arrangements for existing bills.

A compilation of Verizon MA's various LifeLine and Link-Up informational materials and application form is appended to these comments as Exhibit I. LifeLine subscribers are made aware each month of their status with a separate designation on the first page of their telephone bill. A sample bill page is contained in Exhibit II. If a Lifeline and/or Link-Up applicant is rejected because the agency reported that the applicant received *no* qualifying public assistance benefits, Verizon MA sends a written notification to the customer indicating that fact. Exhibit III includes a sample of that customer letter.

B. Description of Verizon MA's Current Procedures Used for Subscriber Eligibility Verification and Enrollment for LifeLine and Link-Up Programs in Massachusetts. (Department Question No. 2)

Verizon MA's current procedures provide for verification of customer eligibility at the time an application for LifeLine or Link-Up assistance is submitted and on an annual basis. The process varies based on the governmental agency involved in qualifying the customer for those assistance programs. The agency's participation in the process is critical to ensure that verification of subscriber eligibility is accurate and complete.

1. Initial Verification Process

The application form for LifeLine and Link-Up enables a customer to identify each of the public assistance programs from which the customer receives benefits. *See* Exhibit I. With the exception of fuel assistance and MassHealth (formerly Medicaid), all

qualifying state assistance programs are verified through the Department of Transitional Assistance (“DTA”).

Upon receiving an application that identifies receipt of benefits from a DTA program, Verizon MA verifies the eligibility of the customer with the DTA to ensure that the applicant is receiving benefits from the specified program before enrolling the customer in the LifeLine and/or Link-Up program. Verizon MA provides a DTA contact person with the social security number of the LifeLine and/or Link-Up applicant. The DTA sends Verizon MA written verification, including the name, address, social security number and type of DTA benefit received by the LifeLine and/or Link-Up applicant. After the DTA verifies the applicant’s receipt of DTA benefits - and Lifeline and/or Link-Up eligibility is confirmed, Verizon MA enrolls the customer in those telephone assistance programs. Verizon MA also credits the applicable discount to the customer’s account back to the date that Verizon MA received the application.

Applicants qualifying for LifeLine and/or Link-Up based on fuel assistance benefits are “pre-verified” by various regional branch offices of the Massachusetts Office of Fuel Assistance (“MOFA”). MOFA coordinates the participation of more than 20 branch offices, each of which provides Verizon MA with a list of the names, addresses, social security numbers and telephone numbers of Verizon MA telephone subscribers who are fuel assistance recipients. Customers whose names are contained on those lists are considered “verified,” and thus are enrolled by Verizon MA in the LifeLine and/or Link-Up programs upon receipt of those lists.

Finally, the Division of Medical Assistance (“DMA”) is currently responsible for administering the distribution of benefits under MassHealth (formerly Medicaid).⁴ Because the DMA has not yet decided to become actively involved in the initial eligibility verification process for LifeLine and Link-Up assistance, Verizon MA determines the eligibility of subscribers based on receipt of appropriate documentation from the customer. In particular, when an application is received identifying MassHealth as the *only* qualifying public assistance program, Verizon MA sends the customer a letter requesting additional information confirming his current receipt of MassHealth benefits. A copy of that form letter is appended as Exhibit IV. Upon receipt of the requisite documentation, the applicant is deemed eligible for LifeLine and/or Link-Up, and the appropriate monthly and/or one-time discounts would apply back to the date the customer’s application was received by Verizon MA.

2. Annual Verification Process

The annual verification process (like the initial process) varies slightly based on the governmental agency involved. On an annual basis, Verizon MA provides the DTA with a list of the social security numbers of all LifeLine recipients. DTA then reviews that list to verify whether current LifeLine subscribers should continue to qualify for the LifeLine discount based on their receipt of DTA-related benefits.

LifeLine recipients who are identified by the DTA as an “open” account continue to receive LifeLine assistance. Lifeline recipients who are identified by the DTA as a “closed” account, *i.e.*, no longer receiving DTA-administered benefits, receive a letter

⁴ The DTA was formerly responsible for administering the MassHealth program, and the LifeLine and Link-Up verification process described above for DTA-administered programs, prior to the time that the DMA assumed responsibility for MassHealth several years ago.

from Verizon MA indicating that their receipt of the LifeLine discount will be discontinued unless they notifies the Company that there was an error by DTA or that they would qualify for LifeLine under another income-related assistance program (*e.g.*, fuel assistance). A copy of that letter is attached as Exhibit V. A customer's LifeLine benefits are discontinued if no error was made by DTA or if the customer does not qualify under another eligible assistance program. Likewise, if the subscriber does not respond by providing the necessary eligibility information within the timeframe specified in Verizon MA's letter (*i.e.*, generally several weeks), Verizon MA removes the customer from the LifeLine program.

The annual verification process with MOFA differs from DTA in that MOFA coordinates the preparation of lists of *former* fuel assistance recipients who either are no longer eligible to receive benefits or did not reapply for benefits. MOFA's various regional branch offices provide those lists to Verizon MA on an annual basis. Upon receipt of the lists, Verizon MA removes those customers from its LifeLine assistance program, unless they can demonstrate that they would qualify for assistance based on receiving some other type of low-income public assistance income. No annual verification process for MassHealth recipients has been established with the DMA.

C. The Feasibility of Reciprocal Enrollment of Customers in Various Utility Assistance Programs in Massachusetts Based on Current Subscriber Eligibility Standards. (Department Question No. 3)

The Department raises the issue of whether it is feasible to enroll Massachusetts customers in *all* assistance programs offered by utilities or telecommunications carriers doing business in Massachusetts if those customers already qualify for - and are enrolled in - *one* such company assistance program. *Order*, at 5-6. Notwithstanding the legal and privacy concerns discussed below, Verizon MA believes that such reciprocal enrollment

is *only* feasible if the eligibility requirements and verification process are comparable for all applicable company assistance programs. It is Verizon MA's understanding that this is not the case.

In addition, as indicated above, the relevant governmental agencies play a critical role in Verizon MA's current eligibility verification process for LifeLine and Link-Up assistance. Similarly, implementation of a reciprocal enrollment process would require a firm commitment by those agencies to provide any *additional* assistance that may be required, despite potential limited resources and budgetary constraints. Absent that commitment, all participating utilities and telecommunications carriers would face administrative and operational inefficiencies, resulting in added costs for the companies and their customers.

With respect to eligibility, Verizon MA's LifeLine and Link-Up were designed by the FCC as programs for low-income telephone subscribers. 47 U.S.C. §54.409 provides, in pertinent part, that:

[t]o qualify to receive LifeLine service in a state that mandates state LifeLine support, a consumer must meet eligibility criteria established by the state commission for such support. The state commission shall establish narrowly targeted qualification criteria *that are based solely on income or factors directly related to income*...A state ...must ensure that its qualification criteria are reasonably designed to apply to low-income individuals....
(emphasis added)

Thus, to the extent that other utilities' or telecommunications carrier's discount programs are not income-based and/or applicable to low-income customers, the reciprocal enrollment of customers would be inconsistent with FCC requirements and, therefore, would inappropriately expand Verizon MA's LifeLine and Link-Up programs.

Although Verizon MA has not studied all the utilities' and telecommunications carriers' discount programs, a cursory review of some of the assistance programs offered by other utilities and companies reveals that they have *different* eligibility criteria from Verizon MA's LifeLine and Link-Up programs. For example, NStar's discount program includes not only recipients of DTA related benefits, but also recipients of the Senior Pharmacy Program and Refugee Resettlement benefits. Likewise, Keyspan includes recipients of Refugee Resettlement benefits. Massachusetts Electric Company ("MECO") appears to include those receiving benefits from all the public assistance programs on Verizon MA's qualifying list, and adds those living in subsidized housing or receiving benefits from the Massachusetts Commission for the Blind ("MCB") or the Veterans Administration (*e.g.*, Disability benefits, Surviving Parent benefits, Non-Service Pension benefits, etc.).

It is Verizon MA's understanding that while some of these additional programs may be needs-based, they are not necessarily limited to low-income recipients and, therefore, would not meet the income eligibility criteria established for LifeLine and Link-Up.⁵ In addition, Verizon MA believes that clients of some of those programs (*e.g.*, MCB) may already be eligible for or receiving LifeLine and Link-Up benefits because of their participation in other *low-income*, public assistance programs, such as SSI.

Even if the *same* eligibility criteria and verification procedures were utilized by all utilities and telecommunications carriers, there are operational, administrative, and technical issues that must be coordinated to facilitate an interchange of lists and

⁵ Based on past experience, some of those agencies (*e.g.*, Veterans Services) previously declined to participate in LifeLine and Link-Up because they believed that verification of benefits would violate public records laws (*e.g.*, Mass. Gen. Laws c. 66, § 18).

reciprocal enrollment of subscribers. The expansion of any of these programs cannot be achieved without the cooperation and commitment of the governmental agencies to establish the requisite eligibility standards and verify the recipients as qualifying for benefits on a monthly and annual basis. Utilities and carriers are dependent upon the appropriate state agencies for any verification of eligible customers. Without these agencies' active involvement, companies cannot ensure that their discount programs target and enroll the appropriate customers, which in the case of LifeLine and Link-Up means eligible under an appropriate state income-based test.

D. The Strategies for Addressing Varying Income Requirements of Public Benefit Programs. (Department Question No. 4)

As discussed above, various public assistance programs administered by governmental agencies in Massachusetts may utilize different eligibility criteria. This includes varying income level requirements. Because Verizon MA is not familiar with the differences among all the public assistance programs, the Company recommends that the Department request that the appropriate governmental agencies participate in this investigation so as to clarify the applicable qualifying income levels and to develop any related strategies. The expertise and participation of those agencies is also critical to ensure that customer eligibility for the utilities' and telecommunications carriers' discount programs are properly verified and provide benefits to eligible Massachusetts customers, as intended by the FCC and the Department.

E. The Feasibility of Implementing a Computer-Matching Program to Verify Subscriber Eligibility and Enroll Eligible Customers in Various Utility Discount Programs. (Department Question No. 5)

As mentioned above, the difficulty with implementing reciprocal enrollment among various utilities' and telecommunications carriers' discount programs is the

potential difference in eligibility criteria and verification process. Even if there is consistency among those programs, the development and implementation of a mutually agreeable, computer-based matching arrangement would require, at a minimum, compatible computer systems and technology, including software and hardware, among the participating companies to provide proper eligibility verification. Moreover, companies should be able to interface with the appropriate governmental agencies to qualify benefit recipients. A commitment from those agencies to participate actively in the utilities' and telecommunications carriers' discount programs is a critical component to ensure that customers who qualify for benefits are sufficiently aware of them and do indeed receive them.

Another factor that must be considered is the cost implications. The costs of establishing and maintaining a feasible computer-based matching program, and hiring or reassigning personnel to manage the computer systems, must be assessed, and a determination must be made as to whether such a program is cost effective or manageable for all companies and for the governmental agencies.

F. Potential Legal Impediments of Enrolling Eligible Customers in All Available Discount Programs, Including the Potential Privacy Concerns Raised by the Electronic Sharing of Financial or Other Confidential Customer-Specific Information. (Department Question Nos. 6 and 7)

The first potential legal impediment of enrolling eligible customers in *all* available discount programs is that this may conflict with income-based requirements for Verizon MA's LifeLine and Link-Up programs. As discussed above, the FCC established LifeLine and Link-Up with the intent that those programs would make telephone service more affordable for *low-income* subscribers. However, it is Verizon MA's understanding that discount programs offered by other utilities and

telecommunications carriers are not solely available to low-income customers. Therefore, LifeLine and Link-Up may be indirectly expanded if customers eligible for other available discount programs are included in Verizon MA's assistance programs. As a result, LifeLine and Link-Up may not meet the income eligibility criteria established by the FCC.

Another legal impediment is the potential privacy issues raised by reciprocal enrollment. This enrollment process would require that participating companies – and presumably governmental agencies – share *personal* customer information, such as name, address, social security number, and financial data, to determine eligibility status. Under Massachusetts law, the release of name, address, and financial information may be considered a violation of one's privacy rights absent the express written permission of the individual to disclose such information.⁶

Chapter 214, Section 1B of Massachusetts General Laws provides that

A person shall have a right against unreasonable, substantial or serious interference with his privacy. The superior court shall have jurisdiction in equity to enforce such right and in connection therewith to award damages.

The issue of whether one's privacy rights have been violated is contingent upon whether a reasonable expectation of privacy exists.⁷ As stated by the Massachusetts Superior Court,

⁶ The Massachusetts Appeals Court held that license applicant information, such as name, address, date of birth, and social security number, may constitute an unwarranted invasion of privacy. *Doe v. Registrar of Motor Vehicles*, 26 Mass. App. Ct. 415, 528 N.E.2d 880 (1988). Although such information is collected for a public purpose, it would not fall within the privacy exemption of the public records statute (Mass. Gen. Laws c. 4, § 7), which is narrowly applied to information relating to public employees. *John Weld v. CVS Pharmacy, Inc.*, 1999 Mass. Super. LEXIS 261, at *11-13 (June 1, 1999).

⁷ Although the Massachusetts Constitution does not expressly refer to a right to privacy, it is inferred in the broad language of specific provisions of the Constitution (*i.e.*, Articles 1, 14, and 16

In an age of computer databases and electronic retrieval of sensitive information, the public is justly concerned that the privacy of personal information be protected. The public should be able to have confidence that personal information remain private.

Commonwealth of Massachusetts v. Source One Associates, Inc. et al, 1999 Mass. Super. LEXIS 402, at *42 (Oct. 14, 1999).

Massachusetts law permits access to public assistance records to the governing agency only for purposes directly connected with the administration of such public assistance. *Finance Committee of Falmouth v. Falmouth Board of Public Welfare*, 345 Mass. 579, 188 N.E.2d 848 (1963). Chapter 271, Section 43 of Massachusetts General Laws specifically limits the disclosure of information concerning applicants and recipients of public assistance. It states, in pertinent part, that

Any person who, *except for purposes directly connected with* the administration of general public assistance, old age assistance, aid to the blind, or aid to families with dependent children, and in accordance with the rules and regulations of the department of transitional assistance ... shall solicit, disclose, receive, make use of, or authorize, knowingly permit, participate in, or acquiesce in the use of, any list of, or names of, or any information concerning, persons applying for or receiving general public assistance, old age assistance, aid to families with dependent children or aid to the blind, directly or indirectly derived from the records, papers, files or communications of the department of transitional assistance, any city or town welfare department or bureau of old age assistance or the performance of official duties, shall be punished by a fine of not more than one hundred dollars...

See also Mass. Gen. Laws c. 118A, § 6; Mass. Gen. Laws c. 66, § 17A.

of the Massachusetts Declaration of Rights of the Massachusetts Constitution). The protection afforded by those provisions is comparable to that provided by the Fourteenth Amendment to the United States Constitution.

Based on the above restrictions, applicants and recipients of public assistance would have a reasonable expectation of privacy regarding the disclosure of personal information to those outside of the governmental agency administering and dispensing their associated benefits. Accordingly, this potential legal impediment would prevent utilities and telecommunications carriers from automatically enrolling customers in each others' discount programs – or from electronically sharing confidential, customer-specific information - absent the written consent of the individual customer to release pertinent personal data (financial or otherwise) qualifying them for such programs.

III. CONCLUSION

Verizon MA's LifeLine and Link-Up programs are designed to assist *low-income* subscribers in obtaining telephone service. While the concept of reciprocal enrollment may serve to further the Department's goal of increasing penetration rates for telecommunications carriers and electric and gas utilities in Massachusetts, it also raises administrative, operational, technical, legal, and cost recovery issues. Such issues must be fully addressed among utilities, carriers and state agencies before implementation of such a process can be considered.

Respectfully submitted,

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